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AT&T

Frank S. Simone
Government Affairs Director

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OCT 27 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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October 27, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S. W. - Room TWB-204
Washington, D. C. 20554

Re: Ex parte, CC Docket No. 99-68, Inter-Carrier Compensation for ISP-Bound
Traffic; CC Docket No. 96-98, Local Competition Provisions of the Telecommunications
Act of 1996

Dear Ms. Salas:

On August 20, 1999 BellSouth filed a written *ex parte* matrix describing the status of litigation related to their obligation to pay reciprocal compensation in each of the states within its territory and the status of their reciprocal compensation payments. Attached to this Notice is AT&T's response to the information contained in the BellSouth matrix. In addition, AT&T has noted in its response relevant activities/decisions that have occurred since August 20, 1999. Please include a copy of this Notice in the record of the above-captioned proceeding.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

ATTACHMENTS

cc: J. Jennings
E. Krachmer
T. Preiss
L. Strickling



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Status Reciprocal Compensation for ISP Traffic
AT&T Response to BellSouth Telecommunications August 20, 1999 written *ex parte*

State	CLEC	PSC Decision	Motion For Recon. (MFR)/Appeal	Post FCC 2/26/99 Order Activity	Timing of PSC or Court Action/Payment	AT&T's RESPONSE
AL	<p>ICG, KMC, DeltaCom, ICI, e.spire, AT&T, TCG, Hyperion</p> <p>ICG Arbitration</p>	Agreement language obligates BST to pay all CLECs except ICG	BST filed appeal with US District Court.	On MFR, 6/21/99 PSC ordered BST to pay reciprocal compensation to ICG.	<p>Uncertain, however, court decision could come as early as 3rd quarter. BST paying into the court registry.</p>	<p>On 6/21/99 PSC ordered (on ICG's separate Motion for Reconsideration) BellSouth to pay reciprocal compensation to ICG based on "most favored nations" clause in ICA.</p> <p>On 8/18/99, District Court upheld (based in part on de novo review) the PSC Order requiring BST to pay reciprocal compensation on ISP traffic to DeltaCom, ICI, ICG, KMC, e.spire, and Hyperion.</p> <p>On 8/30/99, BellSouth filed Motion to Amend or Alter Order contending that District Court failed to review case based on the merits. Court granted briefing on the merits.</p> <p>On 10/13/99, Arbitration panel recommended that reciprocal compensation should be paid on ISP traffic until FCC makes final determination.</p>

FL	Worldcom, TCG, MCI, ICI,	Agreement language obligates BST to pay	BST filed appeal with US District Court	Court denied stay of PSC order during appeal process. BST to pay reciprocal compensation to CLECs.	Uncertain, however, court decision could come as early as 3 rd quarter. 7/22/99 BST paid WorldCom, ICI, MCI and TCG \$ 16M	District Court denied BellSouth's request for stay. BellSouth and TCG entered into a stipulation for payment of funds for reciprocal compensation, but BellSouth has not paid TCG the approximately \$4.6 million agreed to in the stipulation. On 7/7/99, BST sent a check for \$101,699.33 to TCG, but TCG returned that check on 7/12/99 in favor of collecting the entire amount due. On 8/5/99, BellSouth moved to set aside the stipulation. On 8/23/99, TCG filed a motion in opposition. Oral arguments on the ISP appeal held on 7/29/99.
	e.spire	3 member PSC panel ruled agreement obligates BST to pay	4/21/99 BST filed MFR 4/26/99 BST filed Petition for Proposed Agency Action Protesting Order	7/26/99 FPSC denied MFR.	BST to appeal e.spire PSC order	On 8/20/99, BST filed motion for Stay with FPSC pending appeal. FPSC will vote on Motion to Stay at 11/16/99 meeting.
	MediaOne					On 8/24/99, BST filed appeal in Northern District of Florida. In the MediaOne/BST arbitration proceeding, the FL Commission ruled that ISP traffic will be treated the same as in the current ICA unless and until the FCC rules otherwise.

GA	<p>MCI, MFS, e.spire, ICI, TCG</p> <p>MediaOne</p>	<p>ISP traffic is local</p> <p>Hearing scheduled for 8/18, 8/19</p>	BST filed appeals with US District Court.	No further action decision could come as early as 3 rd quarter. BST is paying	Uncertain, however, court into court registry.	<p>On 4/30/99, District Court ordered BST to pay the disputed reciprocal compensation amounts into the Court, and further stated "[t]he Court finds that BellSouth has not demonstrated it is likely to prevail on the merits in this case..." Orders for MCI, MFS, e.spire, & ICI, p. 2.</p> <p>On 9/24/99, District Court denied BST's Motion for Stay of the PSC Order.</p> <p>8/30/99 BST and MediaOne entered into Memorandum of Understanding to resolve issues MediaOne raised in two PSC dockets. In the arbitration proceeding, both parties agree to be bound by a final non-appealable FCC order regarding ISP traffic. In the complaint proceeding, the parties agree to be bound by a final non-appealable order of the District Court in the MFS case.</p>
KY	ACSI, ALEC Inc., Hyperion	Responses filed – No schedule yet				

LA	KMC Hyperion	Hearing held 5/25, 5/26/99		8/5/99 PSC Staff recommended reciprocal compensation not due on ISP traffic.		On 10/7/99, the ALJ recommended that the custom and practice of the industry at the time of signing of the ICA between BST and KMC was to include ISP-bound calls in the reciprocal compensation provisions. On 10/13/99, the LA Commission ruled that ISP traffic is not subject to reciprocal compensation. Hyperion brought an arbitration complaint based on the ICA with BellSouth. Hearing held 7/27/99 and briefs filed on 9/2/99. A decision is expected any day.
MS	Brooks ICOs—Fulton, Mound Bayou, Delta, Franklin, Sledge and Lakeside	Hearing scheduled for 9/28/99				ICO's filed complaint on 5/17/99 in U.S. District Court, Southern District of MS.
NC	US LEC, ICI, MCI	ISP traffic is local	BST filed appeals with US District Court Court remanded all 3 orders to NCUC	BST filed supplemental testimony with interim inter-carrier compensation plan-BST petitioned for renewed stay of ICI, MCI, US LEC with NCUC NCUC refused to renew stay for U S LEC	Uncertain, however, PUC decision could come: as early as 3rd quarter. BST paid US LEC \$11 M. BellSouth working with ICI & MCI to determine amount due.	

SC	DeltaCom	Hearing scheduled for 9/15/99				<p>No decision on DeltaCom complaint.</p> <p>In arbitration proceeding, SC Commission ruled on 10/4/99 that based in part on recent FCC Order, ISP traffic is not subject to reciprocal compensation.</p>
TN	Brooks Fiber Hyperion US LEC and MCImetro	ISP traffic is local No schedule yet	BST filed appeal & motion for stay of PSC order with US District Court.	No further activity	Awaiting assignment of judge and court decision on stay, payment into court register or payment to Brooks Fiber.	<p>Hyperion hearing held before PSC ALJ on 9/17/99. Decision expected in late November.</p> <p>US LEC filed complaint at PSC on 8/6/99.</p> <p>MCImetro filed complaint at PSC on 9/9/99. No schedule yet.</p>

ORIGINAL

BELLSOUTH

Kathleen B. Levitz
Vice President-Federal Regulatory

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August 20, 1999

WRITTEN EX PARTE

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W., Room TWB-204
Washington, D.C. 20554

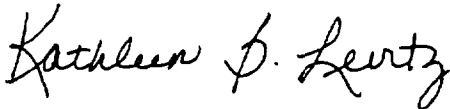
Re: CC Docket No. 99-68

Dear Ms. Salas:

This is to give notice that on August 20, 1999 I sent the attached written ex parte to: Lawrence Strickling, Chief of the Common Carrier Bureau and Jake Jennings, a member of that Bureau's Policy and Program Planning Division staff;

In accordance with Section 1.1206(b)(1), I am filing two copies of this notice in the docket identified above. If you have any questions concerning this, please call me.

Sincerely,



Kathleen B. Levitz
Vice President - Federal Regulatory

Attachment

cc: Lawrence Strickling
Jake Jennings

No. of Copies rec'd 0+2
List ABCDE

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Vice President-Federal Regulatory

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August 20, 1999

WRITTEN EX PARTE

Mr. Lawrence E. Strickling, Chief
Common Carrier Bureau
Federal Communications Commission
Room 5-C450
445 12th Street, S.W.
Washington, D.C. 20554

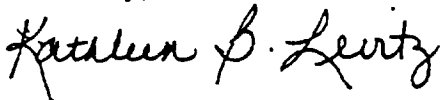
Re: CC Docket No. 99-68

Dear Mr. Strickling:

On August 12, 1999, Jonathan Banks, Robert Blau, and I, representing BellSouth, met with you to discuss issues relating to the Commission's UNE Remand proceeding. During that meeting you asked whether BellSouth is meeting its obligation to pay reciprocal compensation in each of its study areas. In response to your request, we have prepared the attached chart describing the status of litigation related to that obligation and of our reciprocal compensation payments. If after reviewing the chart, you have any questions, please call me at 202.463.4113.

In accordance with Section 1.1206(b)(1), I am filing two copies of this written ex parte presentation with the Secretary of the Commission and requesting that it be associated with the record of CC Docket No. 96-98.

Sincerely,



Kathleen B. Levitz
Vice President - Federal Regulatory

Attachment

cc: Jake Jennings

**Status Reciprocal Compensation for ISP Traffic
BellSouth Telecommunications**

State	CLEC	PSC Decision	Motion For Recon. (MFR)/Appeal	Post FCC 2/26/99 Order Activity	Timing of PSC or Court Action/Payment
AL	ICG, KMC, DeltaCom, ICI, e.spire, AT&T, TCG, Hyperion	Agreement language obligates BST to pay all CLECs except ICG	BST filed appeal with US District Court.	On MFR, 6/21/99 PSC ordered BST to pay reciprocal compensation to ICG.	Uncertain, however, court decision could come as early as 3 rd quarter. BST paying into the court registry.
FL	Worldcom, TCG, MCI, ICI, *** e.spire	Agreement language obligates BST to pay *** 3 member PSC panel ruled agreement obligates BST to pay	BST filed appeal with US District Court *** 4/21/99 BST filed MFR 4/26/99 BST filed Petition for Proposed Agency Action Protesting Order	Court denied stay of PSC order during appeal process. BST to pay reciprocal compensation to CLECs. *** 7/26/99 FPSC denied MFR.	Uncertain, however, court decision could come as early as 3 rd quarter. 7/22/99 BST paid WorldCom, ICI, MCI and TCG \$16M *** BST to appeal e.spire PSC order
GA	MCI, MFS, e.spire, ICI *** MediaOne	ISP traffic is local *** Hearing scheduled for 8/18, 8/19	BST filed appeals with US District Court. ***	No further action ***	Uncertain, however, court decision could come as early as 3 rd quarter. BST is paying into court registry. ***

State	CLEC	PSC Decision	Motion For Recon. (MFR)/Appeal	Post FCC 2/26/99 Order Activity	Timing of PSC or Court Action/Payment
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MS	Brooks	Hearing scheduled for 9/28/99			
SC	DeltaCom	Hearing scheduled for 9/15/99			
TN	Brooks Fiber *** Hyperion	ISP traffic is local *** No schedule yet	BST filed appeal & motion for stay of PSC order with US District Court.	No further activity	Awaiting assignment of judge and court decision on stay, payment into court register or payment to Brooks Fiber.